



# Maricopa County

Department of Finance

## Tom Manos

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Date: October 16, 2007  
To: David Smith, County Manager  
From: Tom Manos, Chief Financial Officer  
Subject: FY 07-08 Variance Report – September 2007

Attached is the General Fund financial activity for the first quarter of FY 07-08. The Executive Summary includes the beginning fund balance, adopted revenues and expenditures, fund balance designations and undesignated ending fund balance which will typically be zero. A positive undesignated ending fund balance represents Board approved appropriation adjustments that result in the pick-up to undesignated Fund balance. Fund balance designations are the County's self-imposed limitations on financial resources that would otherwise be available for use. A brief description of each fund balance designation follows.

The primary fund balance designation is for budget stabilization. For the General Fund, this includes an amount designated to cover cash shortfalls during the fiscal year due to the property tax collection cycle, as well as a reserve. In addition, designations have been established for the reserve to support the County's migration to fully-insured employee benefits and amounts needed for the Sheriff Court Remodel project.

Comments regarding variances for certain revenue and expenditure line items are provided below.

- **Property Tax Revenue YTD variance of \$9,553,745:** Property Tax YTD revenue for FY 07-08 is 76 percent higher than FY 06-07 and 69 percent higher than the FY 07-08 budget.
- **Vehicle License Tax Revenue YTD variance of \$0:** The FY 07-08 Vehicle License Tax YTD revenue is budgeted at zero percent growth over prior year collections. Projections indicate minimal variance at fiscal year end.
- **Sales Tax Revenue YTD variance of \$23:** Sales Tax revenue for FY 07-08 is budgeted at 3 percent growth over prior year collections. The YTD actuals indicate zero percent growth over FY 06-07. If this trend continues, the fiscal year-end variance will be approximately (\$17m). Growth trends will change monthly, so sales tax revenue will be monitored very closely.
- **Miscellaneous Revenue YTD variance of \$1,179,100:** This category includes Licenses/Permits, Fines/Forfeits, Interest Earnings, Other Charges for Services and Miscellaneous Revenue dollars. The bulk of the positive variance can be attributed to the calendarization of interest revenue on General Fund cash.
- **Personnel Services Expenditures YTD variance of \$988,400:** Departments under budget that make up the largest portion of this variance are Assessor, County Attorney, Human Services, Public Health and Environmental Services.

- **Services Expenditures YTD variance of \$13,564,726:** There are several departments that are under budget for the year. The largest variances are in General Government and General Government Appropriated Fund Balance. The majority of the positive variance is the result of programs in General Government Appropriated Fund Balance that are calendarized over the fiscal year, however, it is not known when the program expenditures will occur.
- **Intergovernmental Payments YTD variance of \$10,927,807:** Approximately 78% of the positive variance is the result of Arnold vs. Sarn expenditures that have been budgeted and not expended.
- **Capital Outlay Expenditures YTD variance of \$4,255,223:** The variances are occurring in the Major Maintenance programs. Many of these projects are currently in the design phase or contract negotiation, so the majority of the expenditures may not occur until the last half of the fiscal year. In addition, some of these projects are multi-year and the expenditures may not occur this fiscal year, however, the amounts have been budgeted to ensure complete project funding.

Several departments had significant variances during the first quarter. OMB analysts will work with department liaisons to analyze year-to-date expenditures and accurately forecast the fiscal year end financial position.

Please review and let me know if you have any questions that we can address.

Cc: Sandi Wilson  
Shelby Scharbach  
Peter Ozanne  
Joy Rich  
Bill Scalzo  
OMB Deputy Directors  
OMB Budget Coordinators  
Finance Managers



# General Fund

## Executive Summary

**As of September 30, 2007**

| <b>Revenues</b>  | <b>Revised FY<br/>Budget</b> | <b>YTD Budget</b>    | <b>YTD Actual</b>                 | <b>Variance</b>   |
|--|------------------------------|----------------------|-----------------------------------|-------------------|
| Property Taxes   | 425,284,450                  | 13,871,218           | 23,424,963                        | 9,553,745         |
| Vehicle License Taxes  | 143,247,168                  | 40,732,649           | 40,732,649                        | 0                 |
| Sales Taxes  | 497,453,141                  | 117,408,527          | 117,408,550                       | 23                |
| Intergovernmental  | 12,419,765                   | 457,876              | 507,276                           | 49,400            |
| Miscellaneous  | 93,262,564                   | 19,209,680           | 20,388,780                        | 1,179,100         |
| Transfers In   | 6,838,417                    | 1,709,605            | 1,709,587                         | (18)              |
| <b>Total Revenues</b>  | <b>1,178,505,505</b>         | <b>193,389,555</b>   | <b>204,171,805</b>                | <b>10,782,250</b> |
| <b>Expenditures</b>  |                              |                      |                                   |                   |
| Personnel Services   | 489,397,918                  | 121,482,557          | 120,494,157                       | 988,400           |
| Supplies   | 44,427,212                   | 3,799,305            | 3,187,199                         | 612,106           |
| Services   | 333,872,676                  | 40,253,029           | 26,688,303                        | 13,564,726        |
| Intergovernmental Payments                                   | 223,060,697                  | 55,858,432           | 44,930,625                        | 10,927,807        |
| Debt Service   | 13,522,906                   | 3,331,364            | 2,039,336                         | 1,292,028         |
| Capital Outlay   | 22,418,928                   | 5,515,066            | 1,259,843                         | 4,255,223         |
| Transfers Out  | 215,236,003                  | 82,539,151           | 82,527,900                        | 11,251            |
| <b>Total Expenditures</b>                                    | <b>1,341,936,340</b>         | <b>312,778,904</b>   | <b>281,127,363</b>                | <b>31,651,541</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(163,430,835)</b>         | <b>(119,389,349)</b> | <b>(76,955,558)</b>               | <b>42,433,791</b> |
| Beginning Fund Balance (reserved)                            | -                            | -                    | 25,557,789                        | 25,557,789        |
| Beginning Fund Balance (unreserved)                          | 414,158,357                  | 414,158,357          | 438,648,019                       | 24,489,662        |
| <b>Total Beginning Fund Balance</b>                          | <b>414,158,357</b>           | <b>414,158,357</b>   | <b>464,205,808 <sup>(1)</sup></b> | <b>50,047,451</b> |
| <b>Revenues</b>  | <b>1,178,505,505</b>         | <b>193,389,555</b>   | <b>204,171,805</b>                | <b>10,782,250</b> |
| <b>Expenditures</b>  | <b>1,341,936,340</b>         | <b>312,778,904</b>   | <b>281,127,363</b>                | <b>31,651,541</b> |
| <b>Fund Balance (unreserved) with<br/>Designations</b>       | <b>250,727,522</b>           | <b>294,769,008</b>   | <b>361,692,461</b>                | <b>66,923,453</b> |
| <b>Fund Balance Designations (2)</b>                         | <b>249,543,563</b>           | <b>249,543,563</b>   | <b>249,543,563</b>                | <b>-</b>          |
| <b>Undesignated Ending Fund Balance</b>                      | <b>1,183,959</b>             | <b>45,225,445</b>    | <b>112,148,898</b>                | <b>66,923,453</b> |

1. Unaudited Beginning Fund Balance

2. Fund Balance Designations:

Budget Stabilization:

|                               |                    |
|-------------------------------|--------------------|
| Cash Flow/Property Tax        | 54,000,000         |
| Reserve                       | 157,809,663        |
| Benefits Self-Funding Reserve | 34,300,000         |
| Sheriff Court Remodel         | 3,433,900          |
| <b>Total:</b>                 | <b>249,543,563</b> |

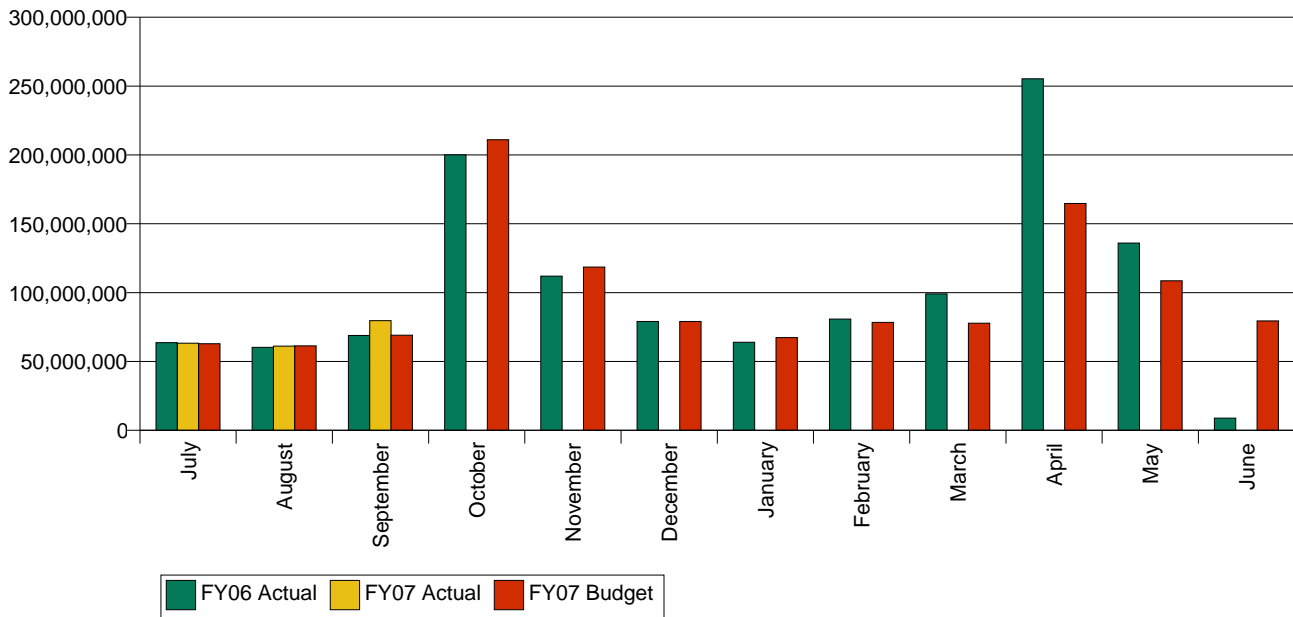


# **General Fund**

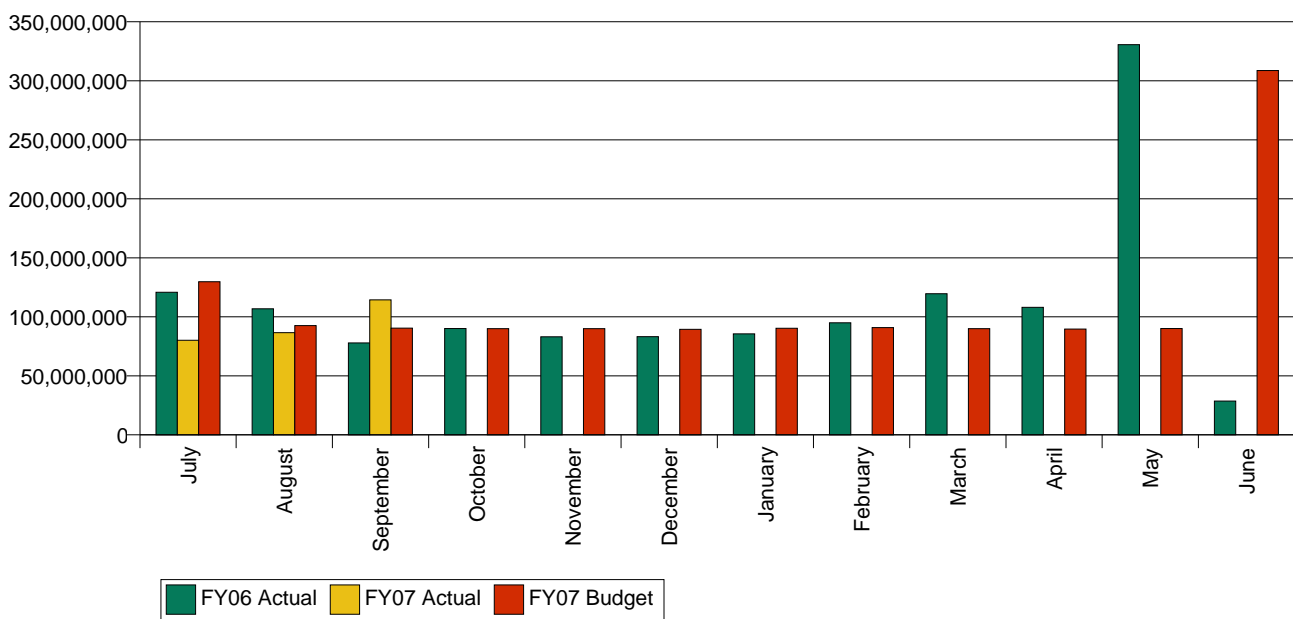
## **Executive Summary**

**As of September 30, 2007**

### **Revenues**



### **Expenditures**





# General Fund

## Expenditures Summary

*As of September 30, 2007*

| <b>Expenditures (450, 470, 480)</b>                      | <b>Revised FY<br/>Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   |
|--|------------------------------|--------------------|--------------------|-------------------|
| Personnel Services                                       | 4,831,608                    | 157,077            | 158,761            | (1,684)           |
| Supplies   | 30,154,485                   | 70,762             | 115,551            | (44,789)          |
| Services   | 254,358,154                  | 22,066,270         | 12,865,180         | 9,201,090         |
| Intergovernmental Payments                               | 1,337,245                    | 293,694            | 0                  | 293,694           |
| Debt Service   | 4,556,667                    | 1,139,172          | 366,973            | 772,199           |
| Capital Outlay   | 22,308,662                   | 5,577,227          | 1,350,571          | 4,226,656         |
| Transfers Out  | 215,124,552                  | 82,511,285         | 82,511,284         | 1                 |
| <b>Total Uses GF (450, 470, 480)</b>                     | <b>532,671,373</b>           | <b>111,815,487</b> | <b>97,368,320</b>  | <b>14,447,167</b> |
| <br>   |                              |                    |                    |                   |
| <b>Expenditures Excluding<br/>(450, 470, 480)</b>        |                              |                    |                    |                   |
| Personnel Services                                       | 484,566,310                  | 121,325,480        | 120,335,396        | 990,084           |
| Supplies   | 14,272,727                   | 3,728,543          | 3,071,648          | 656,895           |
| Services   | 79,514,522                   | 18,186,759         | 13,823,123         | 4,363,636         |
| Intergovernmental Payments                               | 221,723,452                  | 55,564,738         | 44,930,625         | 10,634,113        |
| Debt Service   | 8,966,239                    | 2,192,192          | 1,672,363          | 519,829           |
| Capital Outlay   | 110,266                      | (62,161)           | (90,728)           | 28,567            |
| Transfers Out  | 111,451                      | 27,866             | 16,616             | 11,250            |
| <b>Total GF Expenditures<br/>Excluding 450, 470, 480</b> | <b>809,264,967</b>           | <b>200,963,417</b> | <b>183,759,043</b> | <b>17,204,374</b> |
| <br>   |                              |                    |                    |                   |
| <b>Total General Fund (Uses)</b>                         | <b>1,341,936,340</b>         | <b>312,778,904</b> | <b>281,127,363</b> | <b>31,651,541</b> |



# General Fund

## Category Detailed by Agency

### As of September 30, 2007

| General Government                    | Revised Budget        | YTD Budget         | YTD Actual         | Variance          | % of Variance        |
|---------------------------------------|-----------------------|--------------------|--------------------|-------------------|----------------------|
| ASSESSOR                              | 25,507,171            | 6,347,672          | 5,922,234          | 425,438           | 6.70 %               |
| BOARD OF SUPERVISORS CLERK            | 840,627               | 210,202            | 211,041            | (839)             | -0.40 %              |
| BOARD OF SUPERVISORS DIST 1           | 391,686               | 100,898            | 89,366             | 11,532            | 11.43 %              |
| BOARD OF SUPERVISORS DIST 2           | 391,686               | 97,938             | 88,994             | 8,944             | 9.13 %               |
| BOARD OF SUPERVISORS DIST 3           | 391,686               | 98,236             | 81,674             | 16,562            | 16.86 %              |
| BOARD OF SUPERVISORS DIST 4           | 391,686               | 95,567             | 80,792             | 14,775            | 15.46 %              |
| BOARD OF SUPERVISORS DIST 5           | 391,686               | 96,394             | 96,146             | 248               | 0.26 %               |
| COUNTY CALL CENTER                    | 1,766,278             | 438,013            | 396,905            | 41,108            | 9.39 %               |
| COUNTY MANAGERS OFFICE                | 2,346,480             | 585,711            | 515,314            | 70,397            | 12.02 %              |
| ELECTIONS                             | 12,165,951            | 3,001,457          | 1,608,263          | 1,393,194         | 46.42 %              |
| ENTERPRISE TECHNOLOGY                 | 10,418,482            | 2,561,418          | 2,682,188          | (120,770)         | -4.71 %              |
| FACILITIES MANAGEMENT                 | 14,538,891            | 3,635,012          | 3,446,170          | 188,842           | 5.20 %               |
| FINANCE                               | 4,180,092             | 1,042,603          | 967,345            | 75,258            | 7.22 %               |
| HUMAN RESOURCES                       | 1,279,994             | 311,403            | 306,722            | 4,681             | 1.50 %               |
| INTERNAL AUDIT                        | 2,039,183             | 444,160            | 440,324            | 3,836             | 0.86 %               |
| MANAGEMENT & BUDGET                   | 3,137,792             | 784,503            | 531,741            | 252,762           | 32.22 %              |
| MATERIALS MANAGEMENT                  | 2,118,752             | 529,761            | 521,440            | 8,321             | 1.57 %               |
| RECORDER                              | 2,638,611             | 638,311            | 589,756            | 48,555            | 7.61 %               |
| RESEARCH & REPORTING                  | 378,755               | 94,729             | 111,790            | (17,061)          | -18.01 %             |
| TREASURER                             | 5,148,981             | 1,367,851          | 1,297,865          | 69,986            | 5.12 %               |
| <b>Subtotal</b>                       | <b>90,464,470</b>     | <b>22,481,839</b>  | <b>19,986,069</b>  | <b>2,495,770</b>  | <b>11.10 %</b>       |
| <b>Public Safety</b>                  | <b>Revised Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   | <b>% of Variance</b> |
| ADULT PROBATION                       | 65,819,377            | 16,432,012         | 16,439,498         | (7,486)           | -0.05 %              |
| CLERK OF SUPERIOR COURT               | 34,284,063            | 8,659,340          | 8,468,350          | 190,990           | 2.21 %               |
| CONSTABLES                            | 2,424,814             | 606,409            | 562,402            | 44,007            | 7.26 %               |
| CORRECTIONAL HEALTH                   | 3,570,368             | 892,628            | 984,295            | (91,667)          | -10.27 %             |
| COUNTY ATTORNEY                       | 72,545,776            | 18,196,244         | 17,794,601         | 401,643           | 2.21 %               |
| EMERGENCY MANAGEMENT SVCS             | 268,636               | 67,181             | 35,450             | 31,731            | 47.23 %              |
| JUSTICE SYSTEM PLANNING INFO          | 846,536               | 211,641            | 67,743             | 143,898           | 67.99 %              |
| JUVENILE PROBATION                    | 21,135,022            | 5,283,744          | 5,423,401          | (139,657)         | -2.64 %              |
| LEGAL DEFENDER                        | 9,574,896             | 2,358,888          | 2,231,218          | 127,670           | 5.41 %               |
| MEDICAL EXAMINER                      | 8,082,688             | 2,037,222          | 1,987,073          | 50,149            | 2.46 %               |
| OFFICE CONTRACT COUNSEL               | 17,930,726            | 2,963,161          | 3,476,596          | (513,435)         | -17.33 %             |
| OFFICE OF LEGAL ADVOCATE              | 8,476,296             | 2,071,701          | 2,005,193          | 66,508            | 3.21 %               |
| PUBLIC DEFENDER                       | 40,843,313            | 10,196,303         | 10,216,790         | (20,487)          | -0.20 %              |
| PUBLIC FIDUCIARY                      | 2,799,594             | 700,070            | 652,943            | 47,127            | 6.73 %               |
| SHERIFF                               | 71,659,112            | 18,132,832         | 19,129,373         | (996,541)         | -5.50 %              |
| TRIAL COURTS                          | 86,423,594            | 21,734,073         | 21,568,298         | 165,775           | 0.76 %               |
| <b>Subtotal</b>                       | <b>446,684,811</b>    | <b>110,543,449</b> | <b>111,043,223</b> | <b>(499,774)</b>  | <b>-0.45 %</b>       |
| <b>Health, Welfare and Sanitation</b> | <b>Revised Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   | <b>% of Variance</b> |
| ANIMAL CONTROL SERVICES               | 361,432               | 90,360             | 95,059             | (4,699)           | -5.20 %              |
| ENVIRONMENTAL SERVICES                | 7,063,645             | 1,565,404          | 877,517            | 687,887           | 43.94 %              |
| HUMAN SERVICES                        | 2,702,378             | 675,599            | 62,353             | 613,246           | 90.77 %              |
| PUBLIC HEALTH                         | 12,974,674            | 3,224,627          | 2,926,391          | 298,236           | 9.25 %               |
| <b>Subtotal</b>                       | <b>23,102,129</b>     | <b>5,555,990</b>   | <b>3,961,320</b>   | <b>1,594,670</b>  | <b>28.70 %</b>       |
| <b>Culture and Recreation</b>         | <b>Revised Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   | <b>% of Variance</b> |
| PARKS & RECREATION                    | 1,772,629             | 437,772            | 355,340            | 82,432            | 18.83 %              |
| <b>Subtotal</b>                       | <b>1,772,629</b>      | <b>437,772</b>     | <b>355,340</b>     | <b>82,432</b>     | <b>18.83 %</b>       |
| <b>Education</b>                      | <b>Revised Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   | <b>% of Variance</b> |
| SUPERINTENDENT OF SCHOOLS             | 2,461,627             | 615,542            | 600,385            | 15,157            | 2.46 %               |
| <b>Subtotal</b>                       | <b>2,461,627</b>      | <b>615,542</b>     | <b>600,385</b>     | <b>15,157</b>     | <b>2.46 %</b>        |
| <b>Other Gov Fund</b>                 | <b>Revised Budget</b> | <b>YTD Budget</b>  | <b>YTD Actual</b>  | <b>Variance</b>   | <b>% of Variance</b> |
| GENERAL GOVERNMENT                    | 244,779,301           | 61,328,825         | 47,812,707         | 13,516,118        | 22.04 %              |
| GEN GOV APPROPRIATED FND BALANCE      | 164,624,794           | 46,012,170         | 41,402,217         | 4,609,953         | 10.02 %              |
| NON-DEPARTMENTAL                      | 368,046,579           | 65,803,317         | 55,966,102         | 9,837,215         | 14.95 %              |
| <b>Subtotal</b>                       | <b>777,450,674</b>    | <b>173,144,312</b> | <b>145,181,026</b> | <b>27,963,286</b> | <b>16.15 %</b>       |
| <b>Total Expenditures</b>             | <b>1,341,936,340</b>  | <b>312,778,904</b> | <b>281,127,363</b> | <b>31,651,541</b> | <b>10.12 %</b>       |